Statutory Maternity Pay

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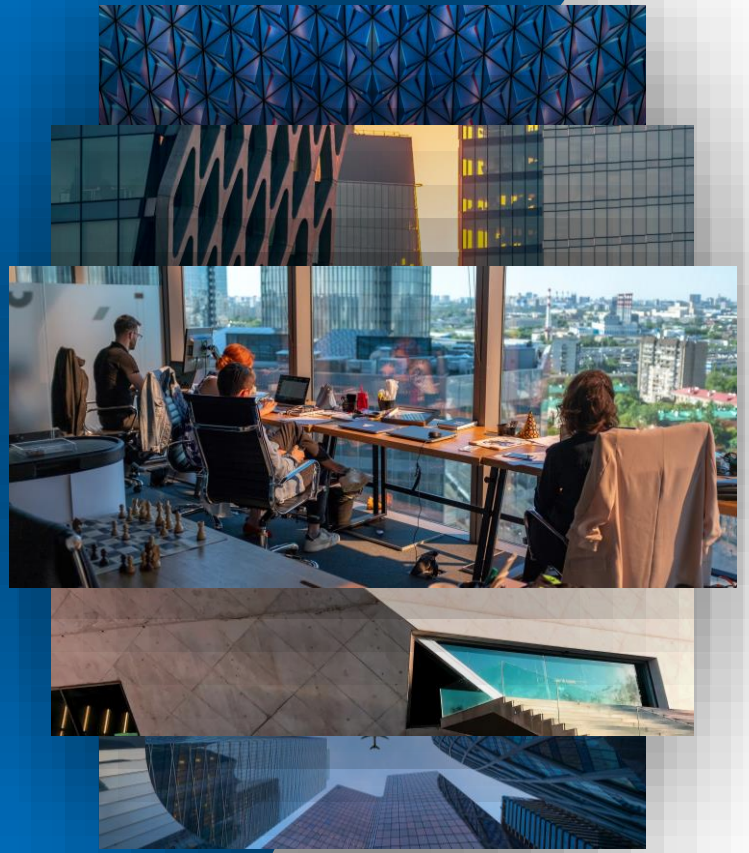
Agenda

- Overview
- Eligibility
- Relevant period
- Paying SMP
- Questions
- Quick quiz



SMP
Overview

- SMP is the minimum payment due if the employee qualifies
- Employers can claim 92% of SMP paid
  - From HMRC remittances
  - Small employers 103%
- Based on fixed dates
  - Week Baby Due (WBD)
  - Qualifying Week (QW
- Exclusions

SMP eligibility
In the qualifying week

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Employment service test

- 26 weeks' continuous employment up to and including the end of the QW
- Date specified in Table

Week Baby Due (WBD) / Expected Week of Childbirth	Qualifying Week	Latest employment start date with you
Sunday - Saturday	Sunday - Saturday	Saturday
21/03/2021 - 27/03/2021	06/12/2020 - 12/12/2020	20/06/2020
28/03/2021 - 03/04/2021	13/12/2020 - 19/12/2020	27/03/2020
04/04/2021 - 10/04/2021	20/12/2020 - 26/12/2020	04/07/2020
11/04/2021 - 17/04/2021	27/12/2020 - 02/01/2021	11/07/2020
18/04/2021 - 24/04/2021	03/01/2021 - 09/01/2021	18/07/2020
25/04/2021 - 01/05/2021	10/01/2021 - 16/01/2021	25/07/2020

Average weekly earnings test

- Average in relevant period
- Average Weekly Earnings (AWE) must be at or above the relevant NIC LEL
- Rounding
- Include NICable elements of pay

The qualifying week is also the week the employee must give notice

Relevant period for SMP

Based on:

- Weekly paid
- QW 4 April 2021 to 10 April 2021

Date 1 = 9 April 2021
(end of relevant period) last pay day before the end of the QW

Pay days								
12	19	26	05	12	19	26	02	09
Feb	Feb	Feb	Mar	Mar	Mar	Mar	Apr	Apr

Date 2 = 13 February 2021
(beginning of relevant period)
the day after the last pay day that fell at least 8 weeks before **Date 1**

Average Weekly Earnings test

- Paid on last working day of each month
- QW: 23/05/2021 – 29/05/2021

Example 1

Pay periods	Earnings	Date
1	£1,500	28/05/2021
2	£1,800	30/04/2021
Total	£3,300	
Average pay	£3,300 / 2 x 12 / 52 = £380.76923	

Average Weekly Earnings test

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- QW: 23/05/2021 – 29/05/2021

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Average Weekly Earnings test

Exercise 1

- An employee has WBD of 06/06/2021 - what is her QW?

Week Baby Due / Expected Week of Childbirth			Qualifying Week		
Sunday	-	Saturday	Sunday	-	Saturday
06/06/2021	-	12/06/2021	21/02/2021	-	27/02/2021

- She gets paid on the 23rd of each month
  - What payments will you use for her average earnings?
    - Dec = £1,500
    - Jan = £1,500
    - Feb = £1,700

Average Weekly Earnings test

Answer 1

- QW is 21/02/2021 to 27/02/2021
- AWE

Pay periods	Earnings	Date
1	£1,500	January
2	£1,700	February
Total	£3,200	
AWE	£3,200 / 2 x 12 / 52 = £369.23076	

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SMP

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Rates

- Paid for up to 39 weeks at either:
  - 90% of average weekly earnings for the first six weeks
  - The lower of £151.97 or 90% of average weekly earnings for the remaining 33 weeks

Payment

- SMP starts
  - Same date as leave, no earlier than 11 weeks before WBD
  - Day after birth
  - Pregnancy related illness
- Basis of payment
  - Weekly amount
  - Daily option

Payment schedule

Example average earnings = £369.23076
90% of AWE = 332.307684
Earnings Related rate = £332.31

Example 2

SMP weeks	Weekly SMP payment
1 to 6	£332.31
7 to 39	£151.97
Total	£7,008.87

Questions?

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SMP quick quiz

Question 1

What is the SMP rate for 2021-22?

- £151.97
- £151.20
- £145.17

SMP quick quiz

Question 2

What is the latest date an employee must give their employer notice of their intention to start maternity?

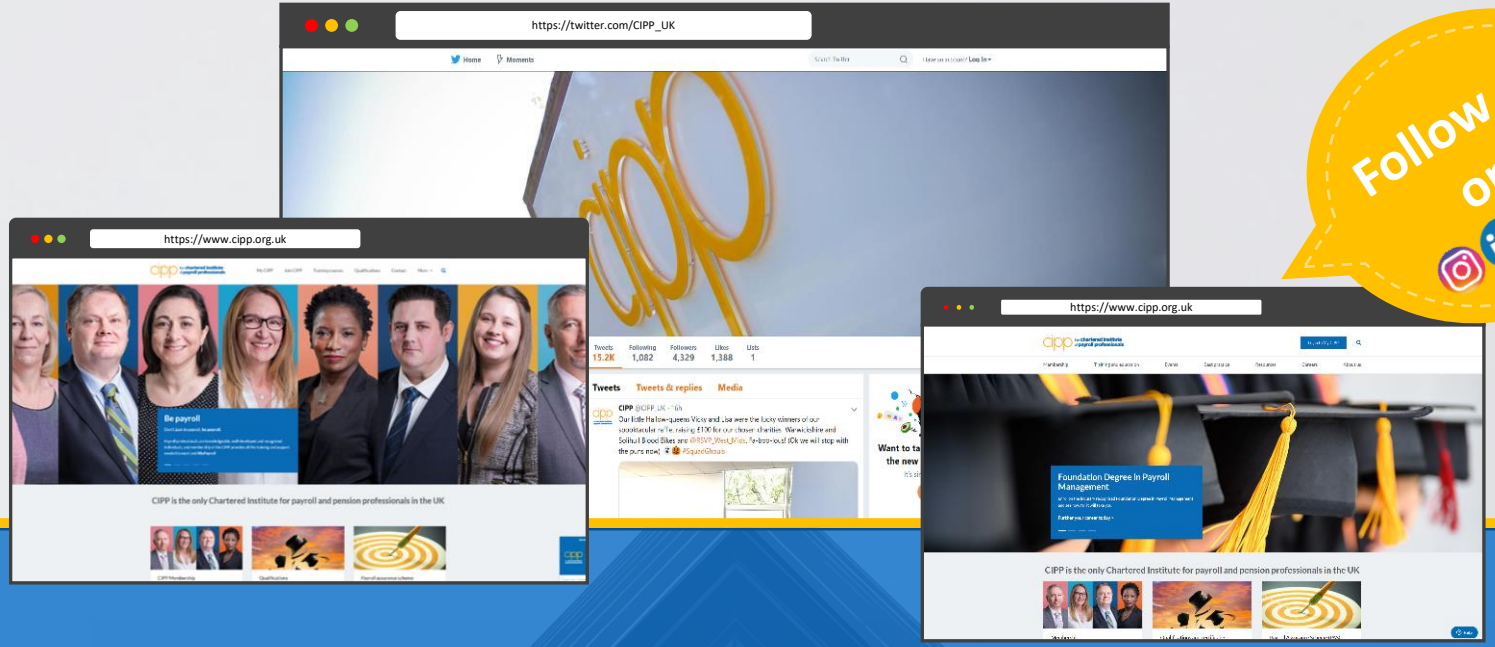
- 4 weeks before the week the baby is due
- 26 weeks before the week the baby is due
- 15 weeks before the week the baby is due

SMP quick quiz

Question 3

A weekly-paid employee earned £960.00 during the relevant period which included two payments. Do they qualify for SMP?

- Yes
- No



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https://www.cipp.org.uk/my-cipp/policy-hub/payroll-need-to-know.html

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